

FISCAL NOTE

SB 2461 - HB 2363

February 2, 1998

SUMMARY OF BILL: Makes the following changes to the auto rental surcharge law:

1. Proposes to increase such surcharge by $\frac{1}{2}$ of 1% in any year in which the surcharge does not generate \$1,500,000 in revenue;
2. Phases in a credit against the surcharge over three years to all car rental businesses (current law applies the credit only to car dealerships), with the credit being applied 40% in the first year, 70% in the second year, and 100% in the third and final year of implementation; and
3. Earmarks the first \$1,500,000 in surcharge revenues to the Department of Safety for training, equipping and paying state troopers, with any excess being deposited to the General Fund.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - \$695,000 FY98-99
\$1,400,000 FY99-00
\$2,300,000 FY00-01 and thereafter

Increase State Expenditures - \$65,200 One-Time

Assumes that the surcharge will not generate less than \$1,500,000 and that no increase will be necessary. Also assumes that the surcharge collections will continue to grow at the current rate and that the proportion of the credit to the surcharge will remain stable.

Assumes a one-time increase in expenditures of \$65,200 for computer systems changes in the Department of Revenue.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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